

ASSEMBLY BILL

No. 1935

Introduced by Assembly Member Campos

February 19, 2014

An act to amend Section 769 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1935, as introduced, Campos. Electricity: clean distributed energy technologies.

Existing law requires each electrical corporation, no later than July 1, 2015, to submit to the Public Utilities Commission a distribution resources plan proposal to identify the optimal locations for the deployment of distributed resources. Existing law defines the term “distributed resources.” Existing law requires the commission to review and approve the plan.

This bill would revise the definition of “distributed resources” to include clean distributed energy technology, as defined.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 769 of the Public Utilities Code is
2 amended to read:
3 769. (a) For purposes of this section, ~~“distributed~~ *the following*
4 *terms have the following meanings:*
5 (1) *“Clean distributed energy technology” means any of the*
6 *following:*

- 1 (A) An energy generation technology that meets all of the
 2 following criteria:
- 3 (i) Converts an energy resource into electricity or heat.
 - 4 (ii) Meets or exceeds the emission factor for electricity
 5 developed by the State Air Resources Board in the scoping plan
 6 adopted pursuant to Section 38561 of the Health and Safety Code.
 - 7 (iii) Meets or exceeds the oxides of nitrogen emissions rate
 8 standard set forth in Section 94203 of Title 17 of the California
 9 Code of Regulations.
 - 10 (iv) Has a nameplate rated generation capacity of 20 or less
 11 megawatts.
- 12 (B) A conversion technology that meets all of the following
 13 criteria:
- 14 (i) (I) Converts organic waste into a useful energy resource.
 15 (II) For the purposes of this clause, “organic waste” means
 16 waste consisting of organic matter, as defined by the Department
 17 of Resources Recycling and Recovery pursuant to Division 30
 18 (commencing with Section 40000) of the Public Resources Code,
 19 that is a byproduct of another process that would normally be
 20 emitted or transported to the environment.
 - 21 (ii) Meets or exceeds the oxides of nitrogen emissions rate
 22 standard set forth in Section 94203 of Title 17 of the California
 23 Code of Regulations.
 - 24 (iii) Has a nameplate rated generation capacity of 20 or less
 25 megawatts.
 - 26 (2) “Distributed resources” means distributed renewable
 27 generation resources, clean distributed energy technology, energy
 28 efficiency, energy storage, electric vehicles, and demand response
 29 technologies.
 - 30 (3) “Energy resource” means a gas, liquid, or solid that can
 31 be converted into mechanical work, electricity, or heat.
- 32 (b) Not later than July 1, 2015, each electrical corporation shall
 33 submit to the commission a distribution resources plan proposal
 34 to identify optimal locations for the deployment of distributed
 35 resources. Each proposal shall do all of the following:
- 36 (1) Evaluate locational benefits and costs of distributed resources
 37 located on the distribution system. This evaluation shall be based
 38 on reductions or increases in local generation capacity needs,
 39 avoided or increased investments in distribution infrastructure,
 40 safety benefits, reliability benefits, and any other savings the

1 distributed resources provides to the electric grid or costs to
2 ratepayers of the electrical corporation.

3 (2) Propose or identify standard tariffs, contracts, or other
4 mechanisms for the deployment of cost-effective distributed
5 resources that satisfy distribution planning objectives.

6 (3) Propose cost-effective methods of effectively coordinating
7 existing commission-approved programs, incentives, and tariffs
8 to maximize the locational benefits and minimize the incremental
9 costs of distributed resources.

10 (4) Identify any additional utility spending necessary to integrate
11 cost-effective distributed resources into distribution planning
12 consistent with the goal of yielding net benefits to ratepayers.

13 (5) Identify barriers to the deployment of distributed resources,
14 including, but not limited to, safety standards related to technology
15 or operation of the distribution circuit in a manner that ensures
16 reliable service.

17 (c) The commission shall review each distribution resources
18 plan proposal submitted by an electrical corporation and approve,
19 or modify and approve, a distribution resources plan for the
20 corporation. The commission may modify any plan as appropriate
21 to minimize overall system costs and maximize ratepayer benefit
22 from investments in distributed resources.

23 (d) ~~Any~~*An* electrical corporation spending on distribution
24 infrastructure necessary to accomplish the distribution resources
25 plan shall be proposed and considered as part of the next general
26 rate case for the corporation. The commission may approve
27 proposed spending if it concludes that ratepayers would realize
28 net benefits and the associated costs are just and reasonable. The
29 commission may also adopt criteria, benchmarks, and
30 accountability mechanisms to evaluate the success of any
31 investment authorized pursuant to a distribution resources plan.